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FROM: Paris

TO: Secretary of State

NO: 5380, March 6, 6 p.m.

EXCON.

Ref DEPTTEL 5135, March 3.

Control: 2892

Rec'd: March 7, 1952
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A. USDEL endeavoring dispose of pending list II and other items to maximum possible extent before undertaking complete revision I/L lists. Expected revision take place shortly after issuance amendment sheet 6 which shld appear end this month and contain dozen or so def. changes. Issuance amend sheet 6 awaits acceptance by govts of two docs (630 and 597) which COCOM approved yesterday ad ref and shld distribute end this week, after which 20 days allowed for any reservation by govts. Contents two docs summarized below:

B. Doc 630 lists five miscellaneous listing changes, incl items 1742 and 3770 as per para B REFTTEL. (Re item 2016, see amend. sheet 5). Three other items are:

1330--Insert "(rubber-working)" after "calendars".

3471 and 3475-Redefined per doc sub-C (51) 8.

C. Doc 597 records 17 list II recommendations as fol:

2002--Global quota reduced to 10 units and Ger quota to 3.

2035--Unallocated reserve increased by \$100,000 owing UK reservation on its quota.

2201--Global quota reduced to 670,000. Belg quota reduced to 100,000 and Ital increased to 300,000. Def still pending.

2251--Compromise three (D) agreed as fol: Original individual quotas reduced by one-half for all PC's except Belg, Neth and Nor (whose quotas very small). Total "defensible" quantity reserve thus approx \$700,000.

2321--Upgrading 60 HP tractors to list I recorded.

2326--Global

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881074-1/9

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SECRET SECURITY INFORMATION... 3/20/52, 3 p.m.

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~~CORRECTED PAGE 2 & 3~~

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CN-5380

2326--Global quota \$65, 000, all unallocated. Def agreed per doc sub-C (51) 8.

2350--Disposition still pending but 3 (D) to be applied provisionally. Def agreed for part (B) per doc 566, with slight wording change recommended by UK for clarity. (Part (A) already shown amend sheet 4).

2375--Compromise 3 (D) agreed as fol: Original individual quotas divided between silicon carbide (totalling \$341,500) and other products (308,500), global being 670,000; quantity regarded as "defensible" reduced to 176,500 for silicon carbide and 178,500 for other products by cutting quota figures one-half for Ger, Ital and Nor. Quota figures for UK and Fr left unchanged as being very small.

2401--Agrmt to treat dredge equip on 3 (D) recorded.

2405--Agrmt to 3 (D) control, as recommended Doc 549, recorded.

2415--Same as 2405, but noting also that Doc 549 sets forth special provisions for consultation in COCOM and that redefinition part (B) of item, per doc 599, has been proposed.

2475--Agrmt reached on fol basis: "Railway rails of 40 pounds or more per linear yard" on list II with 3 (D) control, noting previous history of quota discussion and varying views on strategic importance; "railway rails of less than 40 pounds per linear yards" on list III (as 3477), noting that this will be given further consideration to determine whether list II control is approp from strategic viewpoint and in meantime PC's will report not only any licenses issued but also those denied orders recd and other pertinent info re Sov demand these light types. Doc also notes that all dels except US either considered light rails had never been covered by 2475 or were willing downgrade or control them (altho several dels also willing "consider" q. control). From viewpoint most dels, this action is addition of item to list III and not (not not) downgrading of item from list II. Both list II and III dels will carry note showing items cover "transport and industrial types only, incl but not limited to gen service railway rails, grooved rail mine rails, and light railway rails, if within the above specifications".

2560--Def this item not shown amend sheet 5 owing UK res now (rpt now) records agrmt by def (doc 557), noting quota remains subj UK res: since def expands coverage without

corresponding

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corresponding increases in quotas.

2610 (B) --US proposal in doc 555 accepted by 11 PC's except UK, which agreed amend def items 1670 and 1679 but not (rpt not) 1620. Doc therefore records changes first two items, and changes 2610 (B) to read "platinum" instead of "non-ferrous, NES". Proposal re 1620 to be considered further. (Appreciate receiving more detailed info on uses to support US proposal).

2711--Reduction global quota to 135 tons and Ital quota to 45 tons recorded.

2720--In view large Nor quota request, agrmt recorded to treat item on 3 (D) basis.

2751--Reduction global to 40 tons and Ital quota to 15 tons recorded.

D. Fol list II items still pending, in addition to partial action on 2201, 2350 and 2580 as indicated above:

2265--US res. USDEL wld appree opportunity study lending proposal upgrade this item to US 1 A list. Until US states nature its res and until further COCOM action taken, PC's will exercise control on basis COCOM quota recommendation doc 557.

2325--Both def and disposition pending.

2470--There is complete impasse on this item owing US-UK disagreement on smaller locos. Details and request for urgent instrs in EMBDESP 2349, March 6.

2721--US res. Action in COCOM awaiting outcome US-UK discussion re AEC listing this item. Pls inform status.

E. Re 2761 and 2762--See EMBDESP 1741, Jan 3.

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